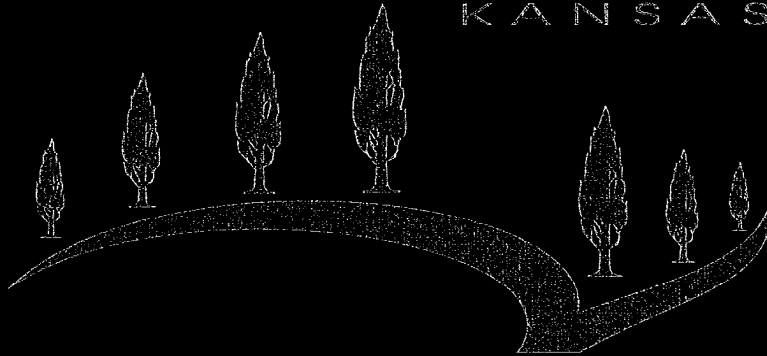


CITY OF
GARDNER
KANSAS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended
December 31, 2009

STATISTICAL SECTION

Statistical Section

This part of the City of Gardner's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	104 - 107
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its most significant local revenue source, which is the electric, water and wastewater revenues, as well as its property taxes.	108 - 116
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	117 - 120
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City of Gardner implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Gardner, Kansas
Net Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)

	<u>Fiscal Year</u>						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities							
Invested in capital assets, net of related debt	\$ 7,460,781	\$ 9,085,457	\$ 14,068,012	\$ 12,854,680	\$ 15,189,970	\$ 11,793,968	\$ 11,427,079
Restricted	619,460	209,186	8,375,348	8,637,479	8,508,190	11,654,614	17,997,310
Unrestricted	<u>8,247,839</u>	<u>10,187,715</u>	<u>285,475</u>	<u>3,572,437</u>	<u>(146,614)</u>	<u>2,984,646</u>	<u>2,785,686</u>
Total governmental activities net assets	<u>\$ 16,328,080</u>	<u>\$ 19,482,358</u>	<u>\$ 22,728,835</u>	<u>\$ 25,064,596</u>	<u>\$ 23,551,546</u>	<u>\$ 26,433,228</u>	<u>\$ 32,210,075</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 22,669,570	\$ 28,593,163	\$ 37,238,850	\$ 36,644,874	\$ 43,009,998	\$ 42,592,536	\$ 45,202,862
Unrestricted	<u>8,574,639</u>	<u>9,868,088</u>	<u>4,437,961</u>	<u>8,438,191</u>	<u>7,383,676</u>	<u>7,570,921</u>	<u>7,587,496</u>
Total business-type activities net assets	<u>\$ 31,244,209</u>	<u>\$ 36,461,251</u>	<u>\$ 41,676,811</u>	<u>\$ 45,083,065</u>	<u>\$ 50,393,674</u>	<u>\$ 50,163,457</u>	<u>\$ 52,790,358</u>
Primary government							
Invested in capital assets, net of related debt	\$ 30,130,351	\$ 35,678,620	\$ 51,306,662	\$ 49,499,554	\$ 58,199,968	\$ 54,386,504	\$ 56,629,941
Restricted	619,460	209,186	8,375,348	8,637,479	8,508,190	11,654,614	17,997,310
Unrestricted	<u>16,822,478</u>	<u>20,055,803</u>	<u>4,723,436</u>	<u>12,010,628</u>	<u>7,237,062</u>	<u>10,555,567</u>	<u>10,373,182</u>
Total primary government net assets	<u>\$ 47,572,289</u>	<u>\$ 55,943,609</u>	<u>\$ 64,405,446</u>	<u>\$ 70,147,661</u>	<u>\$ 73,945,220</u>	<u>\$ 76,596,685</u>	<u>\$ 85,000,433</u>

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Source: City of Gardner Finance Department

City of Gardner, Kansas
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	Fiscal Year 2006	2007	2008	2009
Expenses							
Governmental activities:							
General government	\$ 667,923	\$ 2,481,063	\$ 2,487,540	\$ 2,283,679	\$ 3,378,759	\$ 3,467,896	\$ 3,164,663
Public Safety	1,578,382	1,793,104	2,133,175	2,698,278	3,248,539	3,653,003	3,567,111
Public Works	1,870,330	2,702,878	1,814,204	1,953,847	2,730,439	3,274,927	2,674,913
Culture and recreation	925,051	1,008,522	1,191,341	1,280,138	2,025,252	2,280,655	2,271,682
Interest on long-term debt	463,569	679,071	912,018	1,098,258	1,450,723	1,506,419	1,843,829
Total governmental activities expenses	<u>5,505,255</u>	<u>8,664,638</u>	<u>8,538,278</u>	<u>9,314,200</u>	<u>12,833,712</u>	<u>14,182,900</u>	<u>13,522,198</u>
Business-type activities:							
Electric	4,401,222	5,235,673	7,065,972	9,369,802	10,369,407	10,655,734	9,911,349
Water	2,074,904	1,809,446	2,045,852	2,353,432	2,606,773	2,829,545	2,874,987
Wastewater	2,763,238	2,980,535	3,176,131	3,215,418	3,659,179	4,194,130	3,678,278
Stormwater	-	-	-	-	75,643	220,061	70,817
Total business-type activities expenses	<u>9,239,364</u>	<u>10,025,654</u>	<u>12,287,955</u>	<u>14,938,652</u>	<u>16,711,002</u>	<u>17,899,470</u>	<u>16,535,431</u>
Total primary government expenses	<u>\$ 14,744,619</u>	<u>\$ 18,690,292</u>	<u>\$ 20,826,233</u>	<u>\$ 24,252,852</u>	<u>\$ 29,544,714</u>	<u>\$ 32,082,370</u>	<u>\$ 30,057,629</u>
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ 831,756	\$ 1,241,976	\$ 1,348,564	\$ 1,132,996	\$ 712,907	\$ 606,513	\$ 622,807
Public Safety	-	5,655	4,737	11,443	10,344	13,021	13,141
Public Works	676,890	275	-	-	1,900	-	2,300
Culture and recreation	348,307	428,120	446,685	436,514	905,149	767,693	937,542
Operating grants and contributions	1,553,297	2,352,704	2,139,253	2,216,293	2,529,574	2,657,199	2,514,392
Capital grants and contributions	2,349,249	2,817,443	1,087,882	218,234	360,016	4,808,296	7,240,013
Total governmental activities program revenues	<u>5,759,499</u>	<u>6,846,173</u>	<u>5,027,121</u>	<u>4,015,480</u>	<u>4,519,890</u>	<u>8,852,722</u>	<u>11,330,195</u>
Business-type activities:							
Charges for services:							
Electric	6,998,195	7,887,555	10,240,759	10,229,014	11,805,651	11,688,030	12,661,952
Water	3,072,348	3,725,407	3,639,347	3,511,004	4,201,647	3,192,736	3,293,010
Wastewater	2,544,156	3,419,810	3,518,583	3,304,989	3,835,313	2,821,531	3,062,919
Capital grants and contributions	-	-	50,000	589,004	59,606	356,751	506,591
Total business-type program revenues	<u>12,614,699</u>	<u>15,032,772</u>	<u>17,448,689</u>	<u>17,634,011</u>	<u>19,902,217</u>	<u>18,059,048</u>	<u>19,524,472</u>
Total primary government program revenues	<u>\$ 18,374,198</u>	<u>\$ 21,878,945</u>	<u>\$ 22,475,810</u>	<u>\$ 21,649,491</u>	<u>\$ 24,422,107</u>	<u>\$ 26,911,770</u>	<u>\$ 30,854,667</u>
Net (Expense)/Revenue							
Governmental activities	\$ 254,244	\$ (1,818,465)	\$ (3,511,157)	\$ (5,298,720)	\$ (8,313,822)	\$ (5,330,178)	\$ (2,192,003)
Business-type activities	3,375,335	5,007,118	5,160,734	2,695,359	3,191,215	159,578	2,989,041
Total primary government net expense	<u>\$ 3,629,579</u>	<u>\$ 3,188,653</u>	<u>\$ 1,649,577</u>	<u>\$ (2,603,361)</u>	<u>\$ (5,122,607)</u>	<u>\$ (5,170,600)</u>	<u>\$ 797,038</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	1,739,385	2,030,664	2,311,209	2,676,275	3,290,415	3,667,858	3,788,866
Sales taxes	1,128,934	1,483,480	1,566,055	2,636,630	2,854,565	2,815,576	2,696,984
Franchise taxes	236,073	305,843	337,916	350,024	386,139	412,989	396,100
Excise taxes	-	1,211,458	1,455,739	1,289,599	819,908	395,182	456,384
Transient guest taxes	-	31,150	34,338	40,680	41,073	45,573	34,702
Unrestricted investment earnings	88,024	181,268	497,681	831,916	993,815	296,824	49,100
Gain on disposal of asset	-	-	-	-	1,617	-	-
Transfers	34,641	989,891	329,158	(190,643)	(1,586,760)	577,858	546,714
Total governmental activities	<u>3,227,057</u>	<u>6,233,754</u>	<u>6,532,096</u>	<u>7,634,481</u>	<u>6,800,772</u>	<u>8,211,860</u>	<u>7,968,850</u>
Business-type activities:							
Unrestricted investment earnings	79,755	205,001	532,024	520,452	532,634	188,063	28,208
Transfers	(34,641)	(989,891)	(329,158)	190,643	1,586,760	(577,858)	(546,714)
Other	107,320	-	-	-	-	-	156,366
Total business-type activities	<u>152,434</u>	<u>(784,890)</u>	<u>202,866</u>	<u>711,095</u>	<u>2,119,394</u>	<u>(389,795)</u>	<u>(362,140)</u>
Total primary government	<u>\$ 3,379,491</u>	<u>\$ 5,448,864</u>	<u>\$ 6,734,962</u>	<u>\$ 8,345,576</u>	<u>\$ 8,920,166</u>	<u>\$ 7,822,065</u>	<u>\$ 7,606,710</u>
Change in Net Assets							
Governmental activities	\$ 3,481,301	\$ 4,415,289	\$ 3,020,939	\$ 2,335,761	\$ (1,513,050)	\$ 2,881,682	\$ 5,776,847
Business-type activities	3,527,769	4,222,228	5,363,600	3,406,454	5,310,609	(230,217)	2,626,901
Total primary government	<u>\$ 7,009,070</u>	<u>\$ 8,637,517</u>	<u>\$ 8,384,539</u>	<u>\$ 5,742,215</u>	<u>\$ 3,797,559</u>	<u>\$ 2,651,465</u>	<u>\$ 8,403,748</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Source: City of Gardner Finance Department

City of Gardner, Kansas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 33,379	\$ 6,261	\$ -	\$ 73,395	\$ -	\$ -	\$ 1,019,948	\$ 15,151	\$ 34,779	\$ 39,182
Unreserved	596,301	659,085	851,220	1,549,455	2,392,171	3,321,238	3,107,516	4,008,117	2,964,795	2,619,334
Total general fund	<u>\$ 629,680</u>	<u>\$ 665,346</u>	<u>\$ 851,220</u>	<u>\$ 1,622,850</u>	<u>\$ 2,392,171</u>	<u>\$ 3,321,238</u>	<u>\$ 4,127,464</u>	<u>\$ 4,023,268</u>	<u>\$ 2,999,574</u>	<u>\$ 2,658,516</u>
All Other Governmental Funds										
Reserved	\$ 14,319	\$ 261,208	\$ -	\$ 57,500	\$ -	\$ -	\$ 9,998,577	\$ 2,164,409	\$ 1,058,524	\$ 1,479,432
Unreserved, reported in:										
Debt service fund	69,045	193,608	329,980	488,565	313,625	258,152	184,701	237,844	310,091	78,023
Special revenue funds	1,456,644	1,546,341	1,903,127	3,124,695	4,953,169	5,597,454	6,771,640	6,525,624	5,383,372	5,119,227
Capital projects funds	2,951,155	3,632,057	4,948,112	2,370,633	(565,001)	(3,188,976)	(10,700,412)	(14,211,726)	(10,291,113)	(6,515,040)
Total all other governmental funds	<u>\$ 4,491,163</u>	<u>\$ 5,633,214</u>	<u>\$ 7,181,219</u>	<u>\$ 6,041,393</u>	<u>\$ 4,701,793</u>	<u>\$ 2,666,630</u>	<u>\$ 6,254,506</u>	<u>\$ (5,283,849)</u>	<u>\$ (3,539,126)</u>	<u>\$ 161,642</u>

Note: In 2004, in order to avoid arbitrage penalties, the City decided to fund Capital Projects with pooled cash during the beginning stages of construction.

Source: City of Gardner Finance Department

City of Gardner, Kansas
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2000	2001	2002	2003 ^(a)	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 1,878,059	\$ 2,069,438	\$ 2,833,287	\$ 4,366,955	\$ 5,031,445	\$ 5,670,919	\$ 6,952,528	\$ 7,351,027	\$ 7,291,605	\$ 7,338,334
Licenses and permits	442,716	1,048,365	950,004	667,140	880,846	942,495	750,727	615,355	186,976	441,422
Fines and fees	115,907	129,168	188,099	204,886	265,911	282,658	316,720	240,072	305,001	263,248
Charges for services	164,531	250,978	133,748	161,889	335,289	423,979	337,022	654,973	792,935	727,625
Special assessments	35,828	34,221	76,161	77,341	466,514	298,989	229,317	345,863	500,420	387,736
Intergovernmental	1,624,257	1,403,072	1,889,659	2,641,553	2,611,934	3,262,304	2,352,409	2,415,554	2,608,764	2,363,778
Investment earnings	209,811	225,241	177,013	88,024	181,260	497,682	831,916	993,815	298,624	49,100
Loan revenue	-	-	-	32,652	37,465	35,378	41,875	-	-	-
Other revenues	509,827	204,486	119,734	155,056	221,921	147,338	257,407	347,542	321,922	438,029
Total revenues	4,980,736	5,392,967	6,167,705	8,415,496	10,036,693	11,561,343	12,069,921	12,964,221	12,102,447	12,029,272
Expenditures										
General government	563,699	1,730,428	2,117,659	568,524	2,220,815	2,170,591	2,068,118	3,055,358	3,210,270	2,901,931
Public safety	1,497,262	1,319,402	1,506,022	1,710,856	1,727,208	2,059,813	2,526,659	3,040,870	3,411,999	3,268,448
Public works	848,263	841,594	1,679,088	1,345,077	1,072,924	925,813	1,161,471	1,554,869	1,694,200	1,482,616
Culture and recreation	582,645	798,394	832,531	828,581	836,493	936,998	1,122,244	1,670,953	1,843,126	1,781,799
Capital outlay	1,657,455	1,497,192	3,833,507	5,160,746	4,248,331	9,831,552	11,992,665	14,508,263	4,431,783	3,563,318
Debt service:										
Interest	-	-	-	405,611	506,669	774,222	914,694	1,529,276	1,410,869	1,501,306
Principal	1,663,065	1,589,076	4,446,338	3,097,500	4,062,598	694,737	1,156,069	2,160,583	2,158,231	2,720,699
Other	89,815	12,000	-	43,268	12,127	96,444	202,359	61,669	183,014	314,416
Total expenditures	6,922,224	7,788,086	14,515,145	13,180,163	14,686,165	17,488,758	21,144,279	27,581,881	18,343,492	17,552,533
Excess of revenues over (under) expenditures	(1,941,488)	(2,395,119)	(8,347,440)	(4,764,667)	(4,647,572)	(5,927,415)	(9,074,358)	(14,617,660)	(6,241,045)	(5,523,261)
Other Financing Sources (Uses)										
Bonds issued	-	886,142	4,144,102	3,091,000	725,000	3,355,000	3,545,000	-	5,460,000	5,689,822
Premium on G.O. Bonds	-	-	-	-	-	-	-	-	36,180	-
Certificates of participation issued	-	-	-	-	-	-	7,150,000	-	-	-
Loan proceeds	-	-	-	-	-	-	1,053,190	-	-	-
Revenue bonds issued	-	1,000,000	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	105,000	-	-	-	-	-
Special assessment bonds issued	-	-	-	-	1,835,000	-	-	-	-	-
Temporary notes issued	3,745,000	-	4,500,000	1,095,750	-	-	-	-	-	-
Construction loan	-	-	-	-	-	-	-	910,757	651,632	2,570,970
Sale of capital assets	-	-	-	-	-	-	-	23,001	-	-
Capital leases	232,755	30,558	-	175,080	-	-	97,958	989,000	-	-
Insurance proceeds	-	-	-	-	-	-	19,302	3,063	997	-
Payments to escrow agent	-	-	(218,250)	-	(105,000)	-	-	-	-	-
Transfers in	423,742	2,747,452	2,291,197	743,534	2,982,920	2,625,016	2,796,990	2,441,559	2,513,128	3,181,035
Transfers out	(273,742)	(1,292,168)	(420,000)	(708,893)	(1,378,863)	(1,158,697)	(1,193,980)	(1,392,261)	(1,699,863)	(2,558,856)
Total other financing sources (uses)	4,127,755	3,351,984	10,297,049	4,396,471	4,164,057	4,621,319	13,468,460	2,975,109	6,962,074	8,882,971
Net change in fund balances	\$ 2,166,267	\$ 956,845	\$ 1,949,609	\$ (368,196)	\$ (483,515)	\$ (1,106,066)	\$ 4,394,102	\$ (11,642,551)	\$ 721,029	\$ 3,359,710
Debt service as a percentage of noncapital expenditures	33.7%	25.5%	42.0%	41.1%	36.8%	19.0%	24.6%	27.4%	25.4%	31.4%

Notes: ^(a) Differences between 2003 and 2004 General Government expenditures are largely due to GAAP reporting categorization differences caused by a change in City accounting practices. In 2003, proprietary transfers to the General Fund were calculated as a percentage of services to General Government. GAAP direct such "interfund services" transfers to be netted against General Governmental expenditures. In 2004, proprietary transfers to the General Fund were a percentage of revenues, and GAAP direct these "interfund transfers" to be reported as transfers in. Without GAAP requirements, the General Government expenditures for 2003 was \$2,183,840.

Source: City of Gardner Finance Department

City of Gardner, Kansas
Utilities Produced, Consumed, and Treated
Last Ten Fiscal Years

Fiscal Year	Electricity Generated & Purchased	Electricity Sold To Customers	^(a) Electricity Consumed & Unbilled	^(a) Average Percent Unbilled	Gallons of Water Produced & Purchased	Gallons of Water Sold	^(a) Gallons of Water Unbilled	^(a) Average Percent Unbilled	Gallons of Wastewater Treated	Total Direct Rate					
										Electric		Water		Wastewater	
										Base ^(d) Rate	Usage ^(e) Rate	Base ^(d) Rate	Usage ^(e) Rate	Base ^(d) Rate	Usage ^(e) Rate
2000	74,123	68,506	5,617	7.58%	511	408	103	20.16%	235	\$5.00	\$0.0839	\$8.70	\$3.94	\$4.70	\$3.80
2001	77,663	68,751	8,912	11.48%	509	381	128	25.15%	299	\$5.00	\$0.0839	\$8.70	\$3.94	\$4.70	\$3.80
2002	82,923	76,842	6,081	7.33%	583	444	139	23.84%	353	\$5.00	\$0.0839	\$8.70	\$3.94	\$4.70	\$3.80
2003	93,554	83,082	10,472	11.19%	519	414	105	20.23%	412	\$5.00	\$0.0839	\$8.70	\$3.94	\$7.00	\$4.45
2004	94,470	81,988	12,482	13.21%	598	463	135	22.59%	499	\$5.00	\$0.0839	\$8.70	\$3.94	\$7.00	\$4.45
^(b,c) 2005	103,687	97,863	5,824	5.62%	691	469	223	32.21%	554	\$6.00	\$0.0862	\$8.27	\$3.75	\$7.35	\$4.68
2006	117,288	111,371	5,917	5.04%	712	494	218	30.62%	476	\$6.00	\$0.0905	\$8.52	\$3.86	\$7.72	\$4.91
2007	135,953	118,858	17,095	12.57%	723	488	235	32.50%	517	\$6.20	\$0.0932	\$8.52	\$3.86	\$7.72	\$4.91
2008	126,224	120,486	5,738	4.55%	758	552	206	27.16%	589	\$6.40	\$0.0960	\$8.95	\$4.05	\$8.10	\$5.16
2009	124,014	116,584	7,430	5.99%	717	473	244	34.03%	768	\$6.72	\$0.1008	\$9.40	\$4.25	\$8.75	\$5.57

Notes: Electricity is presented in Megawatt Hours and gallons are presented in millions.

^(a) Unbilled amounts include electric, water, and sewer used by the City of Gardner for government operations, and also amounts sold to wholesale customers through the EMP#1 pool.

^(b) In 2005, the City implemented interdepartmental billing, thus reducing the amount of unbilled electric usage.

^(c) In 2005, the increase to gallons of wastewater treated was due to a significant increase in rainfall.

^(d) Rates shown are for residential customers. For more detail on utility rates see the Electric, Water, and Sewer Rate schedule in this section.

^(e) Per 1,000 gallons.

Source: City of Gardner Public Works Department & Gardner Energy

City of Gardner, Kansas
Annual Electric and Water Meter Installations
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Electric Meter Installations</u>		<u>Water Meter Installations</u>		<u>Total Installations</u>
	<u>Residential</u>	<u>Commercial</u>	<u>Residential</u>	<u>Commercial</u>	
2000	162	5	311	4	482
2001	238	5	229	5	477
2002	384	15	384	6	789
2003	546	6	507	4	1,063
2004	563	4	510	7	1,084
2005	527	20	466	8	1,021
2006	345	24	307	7	683
2007	382	17	278	6	683
2008	89	1	89	1	180
2009	84	11	84	1	180

Source: City of Gardner Community Development Department

City of Gardner, Kansas
Number of Electric, Water, and Wastewater Customers by Type
Last Ten Fiscal Years

Fiscal Year	Electric			Water			Wastewater			Total		
	Residential	Commercial	Industrial	Residential	Commercial	Industrial	Residential	Commercial	Industrial	Electric	Water	Wastewater
2000	3,604	250	7	3,598	160	7	3,448	154	4	3,861	3,765	3,606
2001	3,881	259	7	3,874	172	7	3,724	166	4	4,147	4,053	3,894
2002	4,120	270	7	4,020	187	7	3,870	181	7	4,397	4,214	4,058
2003	4,252	270	7	4,744	195	7	4,560	189	7	4,529	4,946	4,756
2004	4,821	269	7	4,699	185	7	4,549	179	7	5,097	4,891	4,735
2005	5,254	283	6	5,439	204	6	5,278	198	6	5,543	5,649	5,482
2006	6,156	325	6	5,812	220	6	5,657	214	6	6,487	6,038	5,877
2007	6,547	407	5	6,065	253	5	5,958	197	5	6,959	6,323	6,160
2008	6,726	410	5	6,360	248	5	6,146	207	5	7,141	6,613	6,358
2009	6,867	418	6	6,476	243	5	6,239	206	5	7,291	6,724	6,450

Source: City of Gardner Utility Department

City of Gardner, Kansas
Electric, Water, and Wastewater Rates
Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Water Rates										
<i>(All Meter Sizes)</i>										
Base Rate	\$ 8.70	\$ 8.70	\$ 8.70	\$ 8.70	\$ 8.70	\$ 8.27	\$ 8.52	\$ 8.52	\$ 8.95	\$ 9.40
Usage Rate (per 1,000 gallons) First 40,000 gallons	3.94	3.94	3.94	3.94	3.94	3.75	3.86	3.86	4.05	4.25
Usage Rate (per 1,000 gallons) Over 40,000 gallons	3.15	3.15	3.15	3.15	3.15	3.00	3.10	3.10	3.26	3.42
Wastewater Rates										
Base Rate	\$ 4.70	\$ 4.70	\$ 4.70	\$ 7.00	\$ 7.00	\$ 7.35	\$ 7.72	\$ 7.72	\$ 8.10	\$ 8.75
Usage Rate (per 1,000 gallons)	3.80	3.80	3.80	4.45	4.45	4.68	4.91	4.91	5.16	5.57
Electric Rates										
<i>Residential</i>										
Base Rate	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 6.00	\$ 6.00	\$ 6.20	\$ 6.40	\$ 6.72
Usage Rate (per kWh)	0.08390	0.08390	0.08390	0.08390	0.08390	0.08620	0.09051	0.09323	0.09603	0.10083
<i>Commercial</i>										
Base Rate	6.00	6.00	6.00	6.00	6.00	6.60	6.80	6.80	7.00	7.35
Usage Rate (per kWh)	0.0890	0.0890	0.0890	0.0890	0.0890	0.9350	0.0963	0.09631	0.09920	0.10416
<i>Commercial With Demand</i>										
Base Rate for Demand	100.00	100.00	100.00	100.00	100.00	15.00	15.00	15.45	15.90	16.70
Usage Rate (per kW)	10.00	10.00	10.00	10.00	10.00	12.00	12.60	13.00	13.39	14.06
Usage Rate (per kWh) First 5,000 kWh	0.0432	0.0432	0.0432	0.0432	0.0432	0.0436	0.0458	0.0472	0.0486	0.05099
Usage Rate (per kWh) Over 5,000 kWh	0.0370	0.0370	0.0370	0.0370	0.0370	0.0374	0.0393	0.0404	0.04165	0.04373
<i>Commercial Large With Demand</i>										
Base Rate for Demand	100.00	100.00	100.00	100.00	100.00	20.00	20.00	20.60	21.20	22.26
Usage Rate (per kW)	10.00	10.00	10.00	10.00	10.00	12.00	12.60	13.00	13.39	14.06
Usage Rate (per kWh) First 5,000 kWh	0.04000	0.04000	0.04000	0.04000	0.04000	0.04250	0.04463	0.04597	0.04735	0.04972
Usage Rate (per kWh) Over 5,000 kWh	0.03470	0.03470	0.03470	0.03470	0.03470	0.03690	0.03875	0.03991	0.04111	0.04317
All Electric Rates										
<i>Residential</i>										
Base Rate	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 6.00	\$ 6.00	\$ 6.20	\$ 6.40	\$ 6.72
Summer Usage Rate (per kWh)	0.08390	0.08390	0.08390	0.08390	0.08390	0.08850	0.09293	0.09572	0.09859	0.10352
Winter Usage Rate (per kWh) First 800 kWh	0.06800	0.06800	0.06800	0.06800	0.06800	0.07260	0.07623	0.07852	0.08088	0.10352
Winter Usage Rate (per kWh) Over 800 kWh	0.02700	0.02700	0.02700	0.02700	0.02700	0.03520	0.03696	0.03807	0.03921	0.04117
<i>Commercial</i>										
Base Rate	6.00	6.00	6.00	6.00	6.00	6.60	6.60	6.80	7.00	7.35
Usage Rate (per kW)	-	-	-	-	-	4.55	4.78	4.90	5.05	5.30
Summer Usage Rate (per kWh)	0.08900	0.08900	0.08900	0.08900	0.08900	0.02960	0.03108	0.03201	0.03297	0.03462
Winter Usage Rate (per kWh)	0.02700	0.02700	0.02700	0.02700	0.02700	0.02700	0.02835	0.02920	0.03008	0.03158

Source: City of Gardner Utility Department

City of Gardner, Kansas
Ten Largest Electric, Water, and Wastewater Customers
Current Year and Nine Years Ago

Fiscal Year 2009								
Customer	Electric Revenue		Customer	Water Revenue		Customer	Wastewater Revenue	
	Amount	%		Amount	%		Amount	%
Walmart	\$ 333,878	2.81%	New Century	\$ 239,842	8.24%	U.S.D. 231 - Wheat Ridge Middle School	\$ 17,080	0.65%
Price Chopper	254,837	2.15%	U.S.D. 231 - Gardner-Edgerton H.S. Irrigat	36,050	1.24%	Jacobs Properties	12,449	0.47%
U.S.D. 231 - Gardner-Edgerton H.S.	243,439	2.05%	U.S.D. 231 - Wheat Ridge Middle School	12,414	0.43%	TradeNet	11,650	0.44%
U.S.D. 231 - Pioneer Ridge Middle School	149,659	1.26%	Walmart	10,568	0.36%	Pinnacle (Rehab Hospital)	11,004	0.42%
ITW Labels	141,274	1.19%	U.S.D. 231 - Gardner-Edg. H.S.	8,797	0.30%	R&B Autowash	10,347	0.39%
TradeNet Publishing (Expansion)	90,109	0.76%	Jacobs Properties	8,119	0.26%	Wal-Mart	10,333	0.39%
U.S.D. 231 - Wheat Ridge Middle School	81,633	0.69%	TradeNet Publishing	7,614	0.26%	U.S.D. 231 - Gardner-Edgerton H.S.	10,320	0.39%
U.S.D. 231 - Madison Elementary	77,524	0.65%	Pinnacle (Rehab Hospital)	7,222	0.25%	Medical Lodge	8,803	0.33%
U.S.D. 231 - Wheat Ridge Middle School GYM	70,279	0.59%	Sonic	7,155	0.25%	Gardner Super 8	6,902	0.26%
TradNet Publishing	58,189	0.49%	R&B Autowash	6,822	0.23%	Sonic	5,406	0.20%
Subtotal (10 largest)	1,500,821	12.64%	Subtotal (10 largest)	344,603	11.84%	Subtotal (10 largest)	104,204	3.04%
Balance from other customers	10,373,453	87.36%	Balance from other customers	2,567,735	88.16%	Balance from other customers	2,543,362	96.06%
Grand Totals	\$ 11,874,274	100.00%	Grand Totals	\$ 2,912,338	100.00%	Grand Totals	\$ 2,647,656	100.00%

Fiscal Year 2000								
Customer	Electric Revenue		Customer	Water Revenue		Customer	Wastewater Revenue	
	Amount	%		Amount	%		Amount	%
Mid-America Plastics	\$ 405,974	6.96%	New Century Air Center	\$ 136,176	8.73%	Blazers Power Wash	\$ 13,308	1.42%
U.S.D. #231 425 N Waverly DAC	240,180	4.11%	Jacobs Properties	12,658	0.81%	Jacoba Property	12,054	1.28%
Price Chopper	229,850	3.94%	Blazers Power Wash	11,505	0.74%	Mid-America Plastics	8,497	0.90%
Dot Label	113,604	1.95%	U.S.D. #231 High School DAC	10,208	0.65%	CLC HealthCare	8,292	0.88%
Cramer Products, Inc.	106,556	1.83%	Mid-America Plastics	7,517	0.48%	Medical Lodge of Gardner	8,056	0.86%
U.S.D. 231 - Sunflower Elementary	86,402	1.48%	Medical Lodges	7,397	0.47%	U.S.D. #231 High School DAC	7,144	0.76%
U.S.D. 231 - Wheat Ridge Middle School	80,931	1.39%	CLC Healthcare	7,347	0.47%	Super 8 Motel	5,760	0.61%
Empire Plastics	79,268	1.36%	Gardner Super 8	6,771	0.43%	Dot Label	4,956	0.53%
Medical Lodges of Gardner	52,147	0.89%	Price Chopper	5,791	0.37%	Price Chopper	4,804	0.51%
CLC Healthcare	40,121	0.69%	ITW Labels	4,530	0.29%	EZ Car Wash	4,085	0.43%
Subtotal (10 largest)	1,435,031	24.80%	Subtotal (10 largest)	209,900	13.46%	Subtotal (10 largest)	76,956	8.19%
Balance from other customers	4,401,811	75.40%	Balance from other customers	1,349,674	86.54%	Balance from other customers	862,716	91.81%
Grand Totals	\$ 5,836,842	100.00%	Grand Totals	\$ 1,559,574	100.00%	Grand Totals	\$ 939,672	100.00%

Notes: Dollar values reflected include base rate charges, as well as multiple meters on various accounts.

Source: City of Gardner Utility Department

City of Gardner, Kansas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Not-for-Profit Property	Agricultural and Other Property	Not Otherwise Subclassified	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2000	\$ 25,499,787	\$ 6,761,729	\$1,406,725	\$ 42,963	\$ -	\$ 33,711,204	23.824	\$ 260,648,992	12.93%
2001	33,838,364	7,758,868	1,326,019	39,963	-	42,963,214	22.771	336,464,237	12.77%
2002	40,961,196	8,765,345	1,198,167	331,626	-	51,256,334	22.850	402,334,372	12.74%
2003	45,593,076	10,257,888	1,434,550	1,921,260	-	59,206,774	22.854	515,395,275	11.49%
2004	53,793,458	12,073,033	1,492,565	72,441	-	67,431,497	23.914	603,016,135	11.18%
2005	61,026,225	12,090,961	2,290,585	325,419	-	75,733,190	23.994	678,670,888	11.16%
2006	73,120,689	13,675,841	2,279,893	112,374	-	89,188,797	24.092	801,727,555	11.12%
2007	87,598,362	18,592,967	2,717,458	108,681	-	109,017,468	24.080	976,309,650	11.17%
2008	97,621,749	23,111,451	3,371,852	104,208	165,123	124,374,383	24.103	1,115,603,821	11.15%
2009	101,968,269	22,988,646	3,035,503	99,813	-	128,092,231	24.606	1,160,488,730	11.04%

Note: Property in Johnson County is reassessed every year. The county assesses property at approximately 25 percent of actual value for commercial, 30 percent for agricultural, 12 percent for not-for-profit, and 11.5 percent for residential and tax exempt property. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

Sources: City of Gardner Finance Department and Johnson County Department of Records and Tax Administration - County Clerk's Office

City of Gardner, Kansas
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Direct Rates			Overlapping Rates						Total Direct & Overlapping Rates
	Gardner General Operating	Bond and Interest	Total Direct Rate - Gardner City ^(a)	State of Kansas	Johnson County	Johnson County Library	Johnson County Parks and Recreation	Johnson County Community College	U.S.D. 231 (School District)	
2000	19.674	4.150	23.824	1.500	16.112	3.137	1.451	7.184	67.920	121.128
2001	18.693	4.078	22.771	1.500	15.676	2.981	1.322	7.646	75.318	127.214
2002	18.758	4.092	22.850	1.500	16.333	2.971	1.382	7.743	75.243	128.022
2003	19.822	3.032	22.854	1.500	16.221	2.948	1.602	9.428	75.494	130.047
2004	20.882	3.032	23.914	1.500	16.381	2.954	2.365	9.432	72.957	129.503
2005	20.952	3.042	23.994	1.500	16.041	2.956	2.367	9.438	73.008	129.304
2006	21.038	3.054	24.092	1.500	17.922	2.955	2.286	8.960	78.016	135.731
2007	21.028	3.052	24.080	1.500	17.949	2.960	2.290	8.872	76.546	134.197
2008	21.053	3.050	24.103	1.500	17.767	3.057	2.341	8.768	76.568	134.104
2009	21.551	3.055	24.606	1.500	17.716	3.151	2.346	8.784	78.539	136.642

Note: One mill is \$1 of property tax for each \$1,000 of assessed valuation.

(a) During some of these years, there were both "Gardner with City Fire" and "Gardner - No Fire" mill rates because there were portions of Gardner that were assessed for fire protection by the Johnson County Fire District. In the interest of consistency, only "Gardner with City Fire" rates are shown here for those years in which there were multiple "Gardner City" mill rates.

Source: Johnson County Department of Records and Tax Administration - County Clerk's Office

City of Gardner, Kansas
Principal Property Tax Payers
Current Year and Nine Years Ago

	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
<u>Taxpayer</u>						
Walmart	1,726,000	1	1.28%	-		-
Martens Rentals, L.L.C.	1,566,126	2	1.16%	-		-
Moonlight Apartments L.L.C.	1,431,749	3	1.06%	330,257	9	0.67%
Energy Center Industrial, LLC	1,307,751	4	0.97%	-		-
C.L.S. Investment Company	1,289,380	5	0.95%	379,473	4	0.77%
Bristol Partners XVI, L.L.C.	1,081,750	6	0.80%	-		-
DJC Properties, L.L.C.	1,016,534	7	0.75%	441,801	2	0.89%
First Choice Properties, Inc.	826,965	8	0.61%	-		-
Moonlight Plaza, L.L.C.	767,605	9	0.57%	400,304	3	0.81%
Woodstone Apartments, L.P.	710,815	10	0.53%	345,001	8	0.70%
Santa Fe Storage, L.L.C.	608,501	11	0.45%	-		-
Walgreen Co.	580,251	12	0.43%	-		-
Fountain Gate Village, L.L.C.	566,455	13	0.42%	-		-
Collective Investments, L.L.C.	549,943	14	0.41%	-		-
Mid America Plastics, Inc.				545,926	1	1.10%
Cramer Products, Inc.				378,160	5	0.76%
DD & Associates, Inc.				361,577	6	0.73%
Gardner Super 8, L.L.C.				353,979	7	0.71%
Mertz, Thomas D.				327,035	10	0.66%
Totals	<u>\$ 14,029,825</u>		<u>10.38%</u>	<u>\$ 3,863,513</u>		<u>7.80%</u>

**City of Gardner, Kansas
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections for Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 1,001,117	\$ 927,268	92.62%	\$ 44,998	\$ 972,266	97.12%
2001	1,194,589	1,133,494	94.89%	48,491	1,181,985	98.94%
2002	1,437,687	1,369,550	95.26%	61,879	1,431,429	99.56%
2003	1,610,557	1,492,539	92.67%	102,416	1,594,955	99.03%
2004	1,953,944	1,845,505	94.45%	94,566	1,940,071	99.29%
2005	2,327,047	2,192,537	94.22%	131,961	2,324,498	99.89%
2006	2,675,243	2,542,334	95.03%	97,610	2,639,944	98.68%
2007	3,146,176	3,101,873	98.59%	39,646	3,141,519	99.85%
2008	3,488,729	3,439,440	98.59%	-	3,439,440	98.59%
2009	3,863,634	3,720,821	96.30%	-	3,720,821	96.30%

Source: Johnson County Treasurer's Office

City of Gardner, Kansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Government Activities						Business-type Activities				Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)
	General Obligation Bonds	Special Assessment GO Bonds	Certificates of Participation	Capital Leases	State Revolving Loans	Lease Revenue Bonds	General Obligation Bonds	Capital Leases	State Revolving Loans	Electric Revenue Bonds			
2000	\$ 1,089,610	\$ 199,740	\$ -	\$ 438,107	\$ -	\$ -	\$ 10,300,650	\$ 37,550	\$ 1,820,681	\$ 10,040,000	\$ 23,927,338	5.77%	\$ 2,547
2001	1,415,039	648,561	-	359,579	-	1,000,000	18,656,400	-	8,521,192	-	30,600,771	6.91%	3,023
^(b) 2002	1,087,843	752,057	-	114,008	-	4,000,000	17,885,100	-	20,270,974	-	43,909,982	9.36%	4,088
2003	3,112,272	1,321,128	-	191,747	-	4,000,000	16,416,600	-	20,285,005	-	45,326,752	8.75%	3,841
2004	4,129,800	3,200,000	-	94,749	-	3,960,000	16,025,200	-	19,643,931	-	47,053,680	7.64%	3,552
2005	6,873,400	3,035,000	-	54,412	-	3,905,000	15,466,600	-	18,976,298	-	48,310,710	8.42%	3,270
^(c) 2006	9,757,850	2,790,000	7,150,000	108,152	911,889	3,840,000	20,337,150	-	24,996,620	-	69,891,661	10.78%	4,315
2007	9,162,660	2,270,000	6,535,000	1,059,393	1,513,022	3,760,000	17,482,350	176,030	25,349,440	-	67,304,885	9.39%	3,934
2008	10,463,950	5,255,000	6,140,000	911,755	1,799,761	3,660,000	23,891,050	135,533	25,433,886	-	77,710,935	10.73%	4,294
^(d) 2009	9,377,200	10,307,972	5,665,000	830,353	4,065,034	3,545,000	23,524,828	92,781	24,183,410	-	81,591,578	11.07%	4,387

Notes: ^(a) See the Demographic and Economic Statistics schedule in this section for personal income and population data.

^(b) In 2002, the City received a \$20,078,700 revolving loan from the Kansas Department of Health and Environment for the construction of a new sewer plant. The City also issued \$4,000,000 of Lease Revenue Bonds to finance the construction of a new City Hall.

^(c) In 2006, the City issued Certificates of Participation in the amount of \$7,150,000 for the purpose of the construction of a new park complex.

^(d) In 2009, the City issued Special Assessment bonds in the amount of \$5,437,972 to finance the completion of University Park and Kill Creek Waterline Benefit Districts.

Source: City of Gardner Finance Department

City of Gardner, Kansas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Special Assessment GO Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value ^(a) of Property	Per Capita ^(b)
2000	\$ 11,390,260	\$ 199,740	\$ 69,045	\$ 11,520,955	3%	\$ 1,226
2001	20,071,439	648,561	193,608	20,526,392	5%	2,028
2002	18,772,943	752,057	329,980	19,195,020	4%	1,787
2003	19,528,872	1,321,128	488,565	20,361,435	3%	1,726
2004	20,155,000	3,200,000	313,625	23,041,375	3%	1,739
2005	22,340,000	3,035,000	258,152	25,116,848	3%	1,700
2006	30,095,000	2,790,000	184,701	32,700,299	3%	2,019
2007	26,645,000	2,270,000	237,844	28,677,156	3%	1,676
2008	34,375,000	5,255,000	310,091	39,319,909	3%	2,173
2009	32,902,028	10,307,972	78,023	43,131,977	5%	2,868

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^(a) *Property value data can be found in the Assessed Value and Estimated Actual Value of Taxable Property schedule in this section.*

^(b) *Population data can be found in the Demographic and Economic Statistics schedule in this section.*

Sources: City of Gardner Finance Department and Johnson County Department of Records and Tax Administration - County Clerk's Office

City of Gardner, Kansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2009

<u>Governmental Unit</u>	<u>GO Debt Outstanding</u>	<u>Estimated Percentage Applicable ^(a)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Unified School District No. 231	\$ 102,350,000	57.49%	\$ 58,841,015
Johnson County	24,571,715	1.76%	432,462
Johnson County Park and Recreation	4,030,000	1.76%	70,928
 Other			
Johnson County: Public Building Commission	160,315,000	1.65%	2,645,198
 Subtotal, overlapping debt			61,989,603
 City Direct Debt			33,790,559
 Total direct and overlapping debt			<u>\$ 95,780,162</u>

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.
^(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

^(b) Johnson County Park and Recreation outstanding GO debt not available from County; using 2008 total.

Sources: Johnson County's Office of Financial Management and the City of Gardner Finance Department

**City of Gardner, Kansas
Legal Debt Margin Information
Last Ten Fiscal Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 14,503,378	\$ 17,586,796	\$ 23,173,071	\$ 26,225,612	\$ 29,025,556	\$ 33,798,595	\$ 40,485,098	\$ 45,321,494	\$ 46,494,676	\$ 46,444,391
Total net debt applicable to limit	<u>5,318,179</u>	<u>4,272,679</u>	<u>6,403,815</u>	<u>11,052,125</u>	<u>12,405,932</u>	<u>14,375,447</u>	<u>13,046,486</u>	<u>12,546,504</u>	<u>17,272,700</u>	<u>17,092,536</u>
Legal debt margin	<u>\$ 9,185,199</u>	<u>\$ 13,314,117</u>	<u>\$ 16,769,256</u>	<u>\$ 15,173,487</u>	<u>\$ 16,619,624</u>	<u>\$ 19,423,148</u>	<u>\$ 27,438,612</u>	<u>\$ 32,774,990</u>	<u>\$ 29,221,976</u>	<u>\$ 29,351,855</u>
Total net debt applicable to the limit as a percentage of debt limit	36.67%	24.29%	27.63%	42.14%	42.74%	42.53%	32.23%	27.68%	37.15%	36.80%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value ^(a)	\$ 154,814,636
Debt limit (30% of assessed value) ^(b)	46,444,391
Debt applicable to limit:	
G.O. Bonds and Temporary Notes Outstanding	48,725,000
Less: Amount set aside for utilities, refunding, and revenue-supported bonds	<u>(31,632,464)</u>
Total net debt applicable to limit	<u>17,092,536</u>
Legal debt margin	<u>\$ 29,351,855</u>

Notes: ^(a) Assessed value includes property tax collected for motor vehicles.

^(b) The City is subject to Kansas statutes which limit the amount of net bonded debt (exclusive of revenue, utility, and refunding bonds) the City may have outstanding to 30% of the current assessed valuation of property.

Source: City of Gardner Finance Department

**City of Gardner, Kansas
Demographics and Economic Statistics
Last Ten Calendar Years**

Calendar Year	Population ⁽¹⁾	Personal Income	Per Capita Personal Income ⁽²⁾	Median Age ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽²⁾
2000	9,396	\$ 415,021,320	\$ 44,170	33.9	2,670	2.4%
2001	10,122	442,594,572	43,726	35.0	2,879	3.4%
2002	10,742	468,909,784	43,652	30.7	3,097	4.3%
2003	11,800	518,161,600	43,912	31.2	3,215	4.5%
2004	13,247	615,959,006	46,498	31.2	3,401	4.9%
2005	14,776	573,914,616	38,841	31.5	3,593	4.5%
2006	16,199	648,105,791	40,009	31.4	3,811	4.3%
2007	17,110	716,515,470	41,877	31.6	4,293	3.9%
2008	18,096	724,002,864	40,009	31.6	4,491	4.3%
2009	18,600	736,727,400	39,609	31.6	4,721	6.6%

Sources: City of Gardner Finance Department and

⁽¹⁾ City of Gardner Community Development Department

⁽²⁾ information for Johnson County, Kansas. Provided by Southwest Johnson County Economic Development Corporation

⁽³⁾ Unified School District No. 231

**City of Gardner, Kansas
Principal Employers
Current Year and Nine Years Ago**

Employer	2009			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Unified School District No. 231	760	1	19.84%	424	1	19.27%
Walmart	170	2	4.44%			
City of Gardner	132	3	3.45%	74	6	3.36%
Price Chopper	115	4	3.00%	85	5	3.86%
TradeNet Publishing	114	5	2.98%	150	4	6.82%
Meadowbrook Rehabilitation Hospital	107	6	2.79%	50	9	2.27%
Medical Lodge of Gardner	102	7	2.66%			
Cramer Products, Inc.	50	8	1.31%	65	8	2.95%
D.O.T. Label, Inc. (ITW)	34	9	0.89%	200	2	9.09%
Metcalf Bank	30	10	0.78%			
Mid America Plastics, Inc.	-	0	0.00%	175	3	7.95%
Gardner Bank	17	11	0.44%			
Empire Plastics	6	12	0.16%	20	10	0.91%
LSI Healthcare				72	7	3.27%
Total	<u>1,637</u>		<u>42.74%</u>	<u>1,315</u>		<u>59.75%</u>

Source: Southwest Johnson County Economic Development Corporation

City of Gardner, Kansas
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government										
Administration	2	2	2	2	2	3	3	3	3	3
Human Resources/City Clerk	1	1	1	2	2	2	2	2	3	3
Finance										
Accounting	3	3	4	4	5	5	5	5	4	4
Court	1	1	1	1	2	2	2	2	2	2
Utilities	4	5	6	7	8	8	8	8	8	8
Information Systems	-	-	-	-	-	-	1	1	1	1
Planning	2	3	3	3	4	4	5	4	4	4
Codes	2	3	4	5	5	5	6	7	5	5
Public Safety										
Administration	3	3	3	4	4	4	5	6	6	6
Operations	10	12	18	21	21	24	28	34	33	33
Animal Control	-	-	-	-	1	1	1	1	1	1
Public Works										
Administration	4	5	5	5	5	5	5	4	4	4
Fleet	-	-	1	1	1	1	1	1	1	1
Engineering	3	3	3	3	3	5	6	6	4	4
Building Maintenance	-	-	-	-	-	-	1	1	1	1
Streets & Maintenance	6	6	8	8	8	11	12	9	8	8
Electric	4	5	9	9	9	10	10	12	9	10
Water	4	4	5	6	6	8	9	10	10	10
Wastewater	4	4	4	6	6	7	9	10	10	9
Culture and Recreation										
Recreation Services	3	3	3	3	3	4	4	6	6	6
Park Maintenance	3	3	4	4	5	6	6	8	8	8
Total	59	66	84	94	100	115	129	140	131	131

Source: City of Gardner Human Resources Department

City of Gardner, Kansas
Operating Indicators by Function
Last Ten Fiscal Years

Function	2000	2001	2002 ^(a)	2003	2004	2005	2006	2007 ^(b)	2008	2009
General government ⁽¹⁾										
Building permits issued	220	202	319	432	505	475	300	255	82	65
Building inspections conducted	unavailable	2,548	4,393	5,748	8,142	9,669	7,419	4,862	3,432	2,579
Public Safety ⁽²⁾										
Traffic violations	1,465	2,652	2,938	2,820	2,931	3,366	3,799	2,742	3,763	2,459
Fire responses	266	247	298	257	298	333	319	364	430	432
Medical responses	616	634	650	616	640	824	871	922	901	980
Public Works ⁽³⁾										
Street resurfacing (shown in linear feet)	9,750	6,400	9,500	5,860	12,766	8,420	11,080	19,183	5,280	3,370
Curb replacement (shown in linear feet)	unavailable	1,000	1,435	1,505	2,897	2,547	4,340	8,627	-	1,165
Electric ⁽⁴⁾										
Average daily consumption (in kWh)	214,004	218,683	363,002	214,543	224,965	287,326	292,556	327,896	322,695	319,408
Electric meters installed	167	243	399	552	567	547	369	399	90	95
Water ⁽⁴⁾										
Average daily consumption (in thousands)	1,396	1,233	2,088	1,565	1,402	1,457	1,543	1,634	1,604	1,296
Water meters installed	311	229	398	511	514	477	317	284	90	85
Wastewater ⁽⁴⁾										
Average daily sewage treatment (in thousands)	644	819	967	1,129	1,367	1,518	1,304	1,415	1,614	2,103
Culture and Recreation ⁽⁵⁾										
Athletic Program Participants	1,645	1,883	1,622	1,903	1,823	1,863	2,132	2,182	2,428	2,984
Aquatic Admissions	19,957	22,945	22,294	17,175	14,057	21,969	27,174	100,247	101,727	97,984

Note: ^(a) In 2002, the City of Gardner implemented a new utility billing software. In order to convert to the new system, the City was required to process an extra billing cycle to bring the meter reading dates current, rather than for the 30 days prior to the billing date. The extra billing cycle in 2002 also explains the drop in consumption in 2003.

Note: ^(b) In 2007, the City of Gardner Streets Dept. began a new resurfacing program using slurry seal. The savings allowed more linear feet to be completed in both streets and curbs.

Also in 2007, a new Aquatic Facility opened. The added features and capacity attracted patrons from miles around.

Sources: City of Gardner Finance Department and

⁽¹⁾ City of Gardner Community Development Department

⁽²⁾ City of Gardner Public Safety Department

⁽³⁾ City of Gardner Street Department

⁽⁴⁾ City of Gardner Utility Department

⁽⁵⁾ City of Gardner Parks and Recreation Department

**City of Gardner, Kansas
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	2000	2001	2002	2003	2004	2005	2006	2007 ⁽⁶⁾	2008 ⁽⁷⁾	2009
Public Safety ⁽²⁾										
Stations	1	1	1	1	1	1	1	1	2	2
Patrol/AC Units	4	4	5	10	11	11	14	15	14	14
Fire Fleet	3	4	4	4	4	5	5	7	8	8
Public Works ⁽³⁾										
Streets (miles)	36.57	39.76	42.08	47.91	53.23	60.84	66.34	87.40	91.93	93.53
Streetlights	751	801	853	908	964	1,022	1,070	1,085	1,134	1,139
Electric ⁽⁴⁾										
Generators	2	2	2	2	2	2	2	2	2	2
Substations	2	2	2	2	2	2	3	3	3	3
Overhead lines (miles)	25	26	26	28	34	38	45	46	46	49.5
Underground lines (miles)	20	23	27	32	40	44	50	51	51	52.5
Water ⁽⁴⁾										
Water mains (miles)	65.51	69.00	72.35	80.44	86.26	93.86	99.93	104.05	104.35	105.52
Treatment Plants	2	2	2	2	2	2	1	1	1	1
Wastewater ⁽⁴⁾										
Sanitary sewers (miles)	54.89	61.49	71.77	84.45	93.27	107.68	112.54	119.40	122.66	122.6
Storm sewers (miles)	15.63	17.43	19.33	24.09	27.72	33.68	38.26	39.72	41.16	42.59
Treatment Plants	2	3	3	3	3	3	3	3	3	3
Culture and Recreation ⁽⁵⁾										
Acreage	unavailable	unavailable	unavailable	unavailable	96.04	177.06	196.40	226.93	330.58	332.24
Parks	8	8	8	9	9	10	10	10	13	13
Baseball/softball/soccer fields	3	4	4	4	4	4	4	4	14	14
Community Centers	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1

Sources: City of Gardner Finance Department and

⁽¹⁾ City of Gardner Community Development Department

⁽²⁾ City of Gardner Public Safety Department

⁽³⁾ City of Gardner Street Department

⁽⁴⁾ City of Gardner Utility Department

⁽⁵⁾ City of Gardner Parks and Recreation Department

⁽⁶⁾ Streets Dept. new inventory process begun in 2006 found unreported miles.

⁽⁷⁾ Culture and Recreation acreage includes 19.21 acres undeveloped park land.



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor, City Administrator and City Council
City of Gardner, Kansas:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Gardner, Kansas (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Airport Association were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not extend to that component unit.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses as Findings 2009-1 and 2009-2, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, others within the City, and the City Council and is not intended to be and should not be used by anyone other than these specified parties.

Berberich Trahan & Co., P.A.

June 23, 2010

CITY OF GARDNER, KANSAS

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended December 31, 2009

Finding 2009-1 – Significant Deficiency

Condition – Significant adjustments to the trial balance were not initially identified by the City's internal control structure in order for the financial statements to be in accordance with generally accepted accounting principles (GAAP). In addition, there were journal entries being posted to the general ledger that were not being reviewed or approved before they were posted. This finding is repeated from the prior year.

Criteria – The financial statements are the responsibility of management. As such, the City's internal control over the financial statements should identify misstatements on a consistent basis.

Cause – Inappropriate application of generally accepted accounting principles.

Effect – There is the potential that the financial statements may be materially misstated.

Recommendation – We recommend that the City review its trial balance throughout the year and at year-end to ensure that all adjustments have been made for the financial statements to be in accordance with GAAP. All journal entries should also be reviewed and approved before posting.

Management's Response/Corrective Action Plan (Unaudited) – Although the finance department was operating with newly promoted staff with new and unfamiliar responsibilities throughout the 2009 audit process, progress was still made to decrease the number of unidentified adjustments to the trial balance from the prior year. Additional progress to reduce the number of unidentified adjustments is expected with increased staff knowledge and experience for the fiscal year 2010 audit. Additional review and approval procedures have been implemented in 2010 for entries to the general ledger.

Finding 2009-2 – Significant Deficiency

Condition – Bank reconciliations were not performed timely for 2009. The bank reconciliations were not completed until April 2010.

Criteria – The City's internal controls should be designed to ensure that all bank accounts are timely reconciled to the cash balances on the general ledger.

Cause – Deposits and disbursements were being reconciled on a monthly basis, but no bank reconciliation was being completed.

CITY OF GARDNER, KANSAS
SCHEDULE OF FINDINGS AND RESPONSES
(Continued)

Effect – The City was vulnerable to the occurrence of fraud while the bank reconciliations were not being performed.

Recommendation – We recommend that bank reconciliations be performed on a timely basis.

Management's Response/Corrective Action Plan (Unaudited) – Restructured responsibilities combined with inexperience of newly promoted staff caused staff to prioritize their tasks and concentrate their efforts on the recording of capital asset additions and depreciation calculations in order to address a significant deficiency noted in the previous fiscal year's audit. Consequently, these efforts did indeed eliminate the prior year's deficiency regarding capital assets, but to the detriment of having a new deficiency for fiscal year 2009 regarding late bank reconciliations. New procedures developed by staff combined with increasing staff experience and knowledge will eliminate this finding in 2010.

CITY OF GARDNER, KANSAS

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Year Ended December 31, 2009

Finding 2008-1 – Significant Deficiency

Condition – The City is not currently recording some of its capital asset additions in the City's capital assets system until the end of the year when they are identified during the audit. Depreciation of capital assets is not being calculated until the end of the year at the time of the audit. This finding is repeated from the prior year.

Criteria – The financial statements are the responsibility of management. As such, the City's internal control over capital assets should identify all fixed asset additions on a consistent basis so that they may be properly recorded in the financial statements.

Cause – Inappropriate application of generally accepted accounting principles.

Effect – There is the potential that the financial statements may be materially misstated.

Recommendation – We recommend that the City implement a procedure to record all capital asset additions, including additions to construction in progress, at the time of acquisition or construction. Proprietary fund additions should be recorded in the City's capital assets system and on the general ledger at the time of acquisition or construction, and governmental fund additions should be traced separately from the general ledger in the City's capital assets system. In addition, depreciation of capital assets should be calculated and recorded.

Management's Response/Corrective Action Plan (Unaudited) – The number of capital asset additions not recorded in the City's capital assets system until the end of the year when they are identified during the audit has been steadily decreasing since 2006. In addition to the ongoing training received, the advanced knowledge needed to enable full completion of the capital asset cycle each year can only be gained through increasing governmental accounting experience. Existing staff gained valuable experience in the 2008 audit, and believes their judgment related to capitalization decisions will further reduce incomplete capital asset transactions and possibly eliminate this finding in 2009.

Follow-up – The City recorded all entries related to capital assets in the current year, including depreciation expense. This finding is considered resolved.

CITY OF GARDNER, KANSAS

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
(Continued)

Finding 2008-2 – Significant Deficiency

Condition – During the course of our audit, we identified significant adjustments to the trial balance that were not initially identified by the City's internal control structure. In addition, there were journal entries being posted to the general ledger that were not being reviewed or approved before they were posted. This finding is repeated from the prior year.

Criteria – The financial statements are the responsibility of management. As such, the City's internal control over the financial statements should identify misstatements on a consistent basis.

Cause – Inappropriate application of generally accepted accounting principles.

Effect – There is the potential that the financial statements may be materially misstated.

Recommendation – We recommend that the City review its trial balance at year-end to ensure that all adjustments have been made. All journal entries should also be reviewed and approved before posting.

Management's Response/Corrective Action Plan (Unaudited) – Progress was made by City Staff to decrease the number (by one-third fewer) of unidentified adjustments to the trial balance. Additional progress is expected with increased experience of existing staff in assuming responsibility for year end journal entries for 2009. Additional review and approval procedures have been implemented in 2009 for entries to the general ledger.

Follow-up – Significant journal entries were made during the current year audit. In addition, in the current year, there were journal entries being posted to the general ledger that were not being reviewed or approved before they were posted. This significant deficiency is repeated in the current year as Finding 2009-1.